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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Securities Act of the State  
of Washington by:

Michael M. Miles; MM Miles; their employees and  
agents

Respondents.

SDO-094-02  
S-01-043-02-TO01

**SUMMARY ORDER TO CEASE AND DESIST  
AND NOTICE OF INTENT TO ORDER  
AFFIRMATIVE RELIEF**

Case No. 01-04-161

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THE STATE OF WASHINGTON TO: Michael M. Miles

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**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Michael Miles (“Miles”) and MM Miles have each violated the Securities Act of Washington and that the violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

I. Respondents

1. Michael Malone Miles is a former insurance salesperson for Primerica Financial Services (“Primerica”) and is a resident of Seattle, Washington. Miles was licensed to sell insurance products, while employed at Primerica, from 1998 to February 2002.

SUMMARY ORDER TO CEASE AND  
DESIST



1 as an account application for this new investor. Both Miles and the investor signed the account application. At the end  
2 of 2001 the investor asked Miles to provide the required tax documents for tax purposes. Miles told the investor that  
3 there were no tax documents for her because the investment was in his name. At that point the investor asked for a return  
4 of her funds. To date the investor has not received the return of her investment principal.

5 III. Registration Status

6 7. The offer and/or sale of securities by MM Miles are not registered under the Securities Act of  
7 Washington nor has the offer and/or sale previously been so registered.

8 8. Miles is not currently registered as a securities salesperson, investment adviser, investment adviser  
9 representative or broker-dealer in the state of Washington and has not previously been so registered.

10 Based upon the foregoing Tentative Findings of Fact the following Conclusions of Law are made.

11 **CONCLUSIONS OF LAW**

12 I. Securities

13 9. The offer and/or sale of the investment opportunities described above constitutes the offer and/or sale of  
14 a security as defined in RCW 21.20.005 (10) and (12).

15 II. Anti-Fraud Provision

16 10. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because the  
17 Respondents made misstatements of material fact or omitted to state material facts necessary in order to make the  
18 statements made, in the light of the circumstances under which they were made, not misleading. These misstatements  
19 and omitted statements include, but are not limited to, Miles's employment status and his representations that he was  
20 licensed to sell securities. Additionally, based upon Miles's economic situation he was not in a position to guarantee the  
21 principal investments of the investors.

22 III. Registration of Securities

23 11. The offer and/or sale of said securities is in violation of RCW 21.20.140, the registration section of the  
24 Securities Act, because no registration for such offer and/or sale is on file with the Securities Administrator of the state of  
25 Washington.

1 IV. Registration of Broker-Dealer and Salespersons

2 12. Respondents, Michael Miles and MM Miles have each violated RCW 21.20.040 by offering and/or  
3 selling said securities while not being registered as a broker-dealer or securities salesperson in the state of Washington.

4 **EMERGENCY**

5 The Securities Administration finds that an emergency exists and that the continued offers or sales of said  
6 purported investment opportunities in violation of RCW 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitute a  
7 threat to the investing public. During the investigation of this matter Miles has not cooperated with the Securities  
8 Division's investigation. On multiple occasions Miles was served with subpoenas issued by the Securities Division  
9 ordering him to provide documents and to appear and give testimony. Miles has not responded to those subpoenas  
10 forcing the Securities Division to obtain a court order requiring him to comply with the subpoena. Upon learning of this  
11 order Miles has successfully avoided service of process. Accordingly, a Summary Order to Cease and Desist from those  
12 violations is in the public interest and necessary for the protection of the investing public.

13 **SUMMARY ORDER**

14 Based upon the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED that Respondents,  
15 Michael Miles, MM Miles, their agents, and employees shall each cease and desist from violating RCW 21.20.010, the  
16 anti-fraud section of the Securities Act.

17 It is further SUMMARILY ORDERED that Respondent, MM Miles, their agents, and employees shall each  
18 cease and desist from violating RCW 21.20.140, the securities registration section of the Securities Act.

19 It is further SUMMARILY ORDERED that Respondent, Michael Miles, his agents, and employees shall  
20 each cease and desist from violating RCW 21.20.040, the securities broker-dealer, securities salesperson registration  
21 section of the Securities Act.

22 **AUTHORITY AND PROCEDURE**

23 This Order is entered pursuant to the provisions of RCW 21.20.390, and RCW 21.20.395, and is subject to the  
24 provisions of Chapter 34.05 RCW. The Respondent, Michael Miles may make a written request for a hearing as set forth  
25 in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order.

26 SUMMARY ORDER TO CEASE AND  
27 DESIST

1 A request for a hearing should be in writing and sent to Deborah R. Bortner, Securities Administrator, Department of  
2 Financial Institutions, P.O. Box 9033, Olympia, Washington 98507-9033.

3 If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative  
4 Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist permanent as to that  
5 Respondent.

6 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

7 DATED this 4th day of November 2002

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12 DEBORAH R. BORTNER  
13 Securities Administrator

14 Approved by:

15 Presented by:

16 \_\_\_\_\_  
17 Michael E. Stevenson  
18 Chief of Enforcement

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20 Tyler Letey  
21 Staff Attorney

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25 SUMMARY ORDER TO CEASE AND  
26 DESIST